

## Message Text

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ACTION NEA-11

INFO OCT-01 EUR-12 IO-13 ISO-00 NEAE-00 CIAE-00  
COME-00 EB-08 INR-10 LAB-04 NSAE-00 SIL-01  
DODE-00 PM-05 H-01 L-03 PA-01 SP-02 SS-15  
NSCE-00 SSO-00 ICAE-00 INRE-00 SSM-03 /090 W  
-----086117 061731Z /50

O R 061700Z JUN 78  
FM AMEMBASSY TEL AVIV  
TO SECSTATE WASHDC IMMEDIATE 3485  
INFO AMEMBASSY AMMAN  
AMBASSY BEIRUT 7850  
AMEMBASSY CAIRO  
AMEMBASSY DAMASCUS  
AMEMBASSY JIDDA  
AMEMBASSY LONDON  
AMEMBASSY NICOSIA  
AMCONSUL JERUSALEM  
USMISSION USUN NY  
USMISSION SINAI

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E.O. 11652: N/A  
TAGS: ELAB, PINS, IS  
SUBJECT: UNEASY LABOR PEACE AND THE POLITICAL CLIMATE

1. SUMMARY: ONCE MORE THE GOVERNMENT SQUEAKED BY, PREVENTING  
A 3-DAY POSTAL STRIKE FROM SPREADING TO THE ENTIRE CIVIL  
SERVICE. HOWEVER, THE INCREASING FREQUENCY WITH WHICH SUCH  
INCIDENTS OCCUR RAISES RENEWED QUESTIONS AS TO THE SOLIDITY  
OF THE CURRENT LABOR PEACE. IF, AS A RESULT OF RENEWED  
NEGOTIATIONS AND/OR ARBITRATION AWARDS, A NEW WAVE OF LABOR  
DEMANDS IS UNLEASHED BEYOND CONTROL OF THE GOVERNMENT AND  
THE HISTADRUT, THE IMAGE OF GOVERNMENT STRENGTH AND  
STABILITY COULD BECOME SERIOUSLY UNDERMINED. END SUMMARY.  
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2. WITH THE END OF A THREE-DAY POSTAL STRIKE, THE GOVERN-  
MENT HAS SHOWED ONCE AGAIN ITS ABILITY TO HEAD OFF STRIKES  
AND TO PREVENT THEM FROM SPREADING. NOTWITHSTANDING OCCASIONAL  
BRIEF WORK STOPPAGES IN THE PUBLIC SECTOR, THE GOI IN CLOSE  
COOPERATION WITH THE HISTADRUT HAS BEEN ABLE TO MAINTAIN  
LABOR PEACE SINCE THE SETTLEMENT OF THE PROLONGED AND OBDURATE  
EL AL AND SHIPPING STRIKES IN MID-APRIL. THIS SURFACE CALM,

ACHIEVED BY SUBSTANTIAL CONCESSIONS TO THE WORKERS IN THE PUBLIC SECTOR, HAS LENT THE GOVERNMENT AN AIR OF STABILITY CONTRASTING SHARPLY WITH THE STRIKE-TORN ATMOSPHERE OF SOCIAL AND POLITICAL UNREST FACED BY THE LABOR GOVERNMENT DURING ITS LAST SIX MONTHS IN OFFICE. THERE IS NOW RENEWED FEELING THAT THE CURRENT LABOR PEACE, IN THE FACE OF MOUNTING FACTIONAL DISPUTES WITHIN THE GOVERNMENT COALITION, AND ESPECIALLY WITHIN LIKUD, IS STRANGELY UNREAL AND MAY SOON COME TO AN END.

3. IN THE FACE OF CONTINUING HIGH-LEVEL INFLATION, THE LABOR SITUATION SEEMS TO BECOME INCREASINGLY UNCERTAIN. THIS WAS INDICATED BY THE LATEST MAIL STRIKE (JUNE 4-6) WHICH WAS ENDED BY A COURT DECISION THAT AN EXPERT IS TO DETERMINE WHICH CATEGORIES OF POSTAL WORKERS WILL BE ENTITLED TO A 40 PERCENT WAGE INCREASE ON THE BASIS OF AN EARLIER, RATHER AMBIVALENT ARBITRATION AWARD. THE DECISION, TO BE RENDERED WITHIN TWO WEEKS, COULD WELL UNLEASH A NEW WAVE OF LABOR PROTESTS THROUGHOUT THE PUBLIC SERVICE. THE CIVIL SERVICE UNIONS ARE ALREADY PROTESTING AGAINST A GOVERNMENT-HISTADRUT AGREEMENT TO SUSPEND ALL STRIKE ACTIONS UNTIL SEPTEMBER 1, WHILE A NEW AGREEMENT IS BEING NEGOTIATED.

4. BOTH THE GOVERNMENT AND THE HISTADRUT ARE TAKING SERIOUSLY THREATS THAT IF NO EARLY AGREEMENTS CAN BE REACHED, RENEWED WAGE DEMANDS COULD BUNCH UP AGAIN AND PRECIPITATE NEW WAVES OF LABOR UNREST WHICH SEEMED ALREADY MENACING LIMITED OFFICIAL USE

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BEFORE THE PASSOVER HOLIDAYS. HISTADRUT LEADERS AND THE CIVIL SERVICE COMMISSIONER ARE LOOKING WITH SOME ANXIETY TO OCTOBER 1, WHEN NEW COST OF LIVING ADJUSTMENTS ARE DUE AND WHEN THE CURRENT COST OF LIVING AGREEMENT MAY HAVE TO BE RENEGOTIATED.

5. AS LONG AS HISTADRUT COOPERATES IN KEEPING WAGE DEMANDS MODERATE AND LABOR PROTESTS TO A MINIMUM, IT CAN ASSURE ITSELF AT LEAST TEMPORARY SECURITY FROM HOSTILE GOVERNMENT MEASURES. HOWEVER, EVERY TIME THE GOVERNMENT MAKES A CONCESSION AND OVERCOMES A NEW STRIKE THREAT, THERE ARE ANXIOUS MOMENTS THAT THE NEXT TIME THE DIKE MAY BREAK AND ANY SPECIAL GROUP MIGHT PRECIPITATE A NEW CHAIN REACTION OF LABOR UNREST. IF THIS SHOULD HAPPEN, THE PRESENT IMAGE OF GOVERNMENTAL STABILITY WOULD BE SERIOUSLY UNDERMINED.  
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## Message Attributes

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